

Amendment No. 1 to SB0468

Johnson
Signature of Sponsor

AMEND Senate Bill No. 468*

House Bill No. 680

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. This act shall be known and may be cited as the "Rural Small Business Assistance Act".

SECTION 2. Tennessee Code Annotated, Title 13, Chapter 14, Part 1, is amended by adding the following language as a new section:

13-14-1__.

(a) As used in this section, unless context otherwise requires:

(1) "Development district" means a development district organized pursuant to title 13, chapter 14;

(2) "Small business" means a business have twenty-four (24) or fewer employees that is located in a tier three county; and

(3) "Tier three county" means an economically distressed county based upon unemployment, per capita income, and poverty levels as determined annually by the commissioner of economic and community development.

(b) The development districts selected in accordance with section (c) shall develop a pilot project consistent with the provisions of this section for a period not to exceed two (2) years which shall provide existing small businesses of the state located within tier three counties with loans, loan services and loan guarantees not to exceed one hundred thousand dollars (\$100,000) per loan. The development districts shall administer the program and shall provide such loans, loan services, and loan guarantees to existing small businesses located within tier three counties. It is the legislative intent

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that such program be designed with consideration of fair distribution of program assistance among the grand divisions of the state; provided that the amount of money allocated among and to the selected development districts shall not exceed five million dollars (\$5,000,000).

(c) The five (5) development districts with the highest number of Tier 3 counties shall receive funds allocated under section (d) on a pro rata basis. It is the legislative intent that the development districts use the assistance provided by this program to support outreach to expanding and existing businesses in Tennessee that do not have reasonable access to capital markets and traditional commercial lending facilities which are located in financially distressed tier three counties of the state.

(d) There is established a general fund reserve to be allocated in accordance with the rural small business assistance program created under this section which shall be known as the rural small business assistance program fund. Moneys from the fund may be expended in accordance with such program. Any moneys deposited in the fund shall remain in the reserve until expended for purposes consistent with such program and shall not revert to the general fund on any June 30. Any interest earned by deposits in the reserve shall not revert to the general fund on any June 30 but shall remain available for expenditure in subsequent fiscal years.

(e) The selected development districts shall submit a report on the development of the rural small business assistance program created pursuant to this section to the house local government committee and senate state and local government committee no later than July 1, 2014.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.